
WTO and Agriculture

What's at Stake for Kansas?

Kansas is an important producer of agricultural products and a major exporter. In 1997, Kansas ranked 6th among all 50 states in the value of its agricultural exports. The state's exports reached an estimated \$2.7 billion, up from \$1.8 billion in 1991. These exports help boost farm prices and income, while supporting about 34,500 jobs both on the farm and off the farm in food processing, transportation and manufacturing. Exports are increasingly important to Kansas' agricultural and state-wide economy. Measured as exports divided by farm cash receipts, the state's reliance on agricultural exports rose from 26% to 29% since 1991.

The top five agricultural exports in 1997 were:

- # live animals and red meats -- \$628 million
- # feed grains and products -- \$608 million
- # wheat and products -- \$498 million
- # soybeans and products -- \$287 million
- # hides and skins -- \$283 million

World demand for these products is increasing, but so is competition among suppliers. If Kansas farmers, ranchers, and food processors are to compete successfully for the export opportunities of the 21st century, they need *fair trade* and *fair access* to growing global markets.

Kansas Producers Benefit from Trade Agreements

Kansas is already benefitting from a number of agricultural trade agreements. While there is still much to be done, examples of new market opportunities for Kansas include:

- # Kansas, the nation's 2nd largest wheat and beef producer, benefits under the Uruguay Round from reductions of more than 33% in the quantity of EU wheat and beef receiving export subsidies by 2000. Japan is expanding its 5,530,000 ton tariff-rate quota for wheat by 35,000 tons annually from 1995 to 2000, and committed to reducing beef tariffs from 50% to 38.5%. Korea will eliminate its beef import quota by 2001 and reduce its tariffs to 40% by 2004. Under NAFTA, Mexico eliminated its 15% tariff on live slaughter animals, its 20% tariff on U.S. chilled beef, and its 25% tariff on frozen product. Its 20% tariff on beef offal will be eliminated by 2004. Due to the U.S.-Canada Free Trade Agreement, U.S. beef is now exempt from duties and volume restrictions.
- # Kansas, the nation's 7th largest feed corn producer, continues to benefit under the Uruguay Round as Japan increases its 3.75-million-ton zero duty quota for feed corn by 450,000 tons in 2000. South Korea is lowering its in-quota tariff on feed corn and popcorn from 3% to 1.8% from 1995 to 2005. Korea will also reduce tariffs on mixed animal feeds from 7% to 4.2%.

